

SUMMARY REPORT

PREPARED FOR THE DALIDIO RANCH INITIATIVE COMMITTEE

Committee Members

Jerry Lenthall, Supervisor, District 3
Katcho Achadjian, Supervisor, District 4
John Ewan, San Luis Obispo City Council
Paul Brown, San Luis Obispo City Council

October 2006

EXECUTIVE SUMMARY

Beginning July 19, 2006, and continuing through August 30, 2006, four meetings of the Dalidio Ranch Initiative Committee were held. The Committee membership consisted of Jerry Lenthall, Supervisor, District 3; Katcho Achadjian, Supervisor, District 4; John Ewan, San Luis Obispo City Council; and Paul Brown, San Luis Obispo City Council. The purpose of the Committee was to create a forum for providing information to the public about Measure J, the Dalidio Ranch Initiative, that will be coming before the voters of the county on November 7, 2006.

The following is a summary of the content of these meetings. Further information on the materials and data provided at each of the meetings is contained in the full report.

Meeting 1

The meeting held on July 19, 2006 provided an overview of the initiative process in general and provided general information about the content of the proposed initiative. Information was also provided about the process the applicant would have used, absent the initiative, to realize the proposed project and the differences between that typical process and the initiative process. The City of San Luis Obispo also made a presentation on the City's typical process for a project such as is proposed by the Dalidio Ranch Initiative.

Overview of the Initiative

The electorate is empowered to act through initiative by the State Constitution. This power is "co-extensive with the legislative power of the local governing body". Amending the General Plan and zoning ordinance are local legislative matters that are not of statewide concern and therefore can be acted upon by the electorate through the initiative process. Generally, statutory procedural requirements imposed on the local legislative body when amending the general plan generally do not apply to the electorate when considering an initiative. For instance, no public hearings are required. In addition, the California Environmental Quality Act (CEQA) does not apply to initiative measures when submitted by the voters.

The proposed Dalidio Ranch Initiative amends the San Luis Obispo Area Plan by creating a new Dalidio Ranch land use category and assigning allowed uses and development standards within sub-areas of that land use category. The Dalidio Ranch Initiative creates a site-specific part of Title 22 (the Land Use Ordinance) and excludes the remainder of Title 22 from applying to the site. The proposed initiative sets forth that all applications for development on Dalidio Ranch shall be granted ministerially so long as they comply with the grading and building standards of Title 19. Ministerial approvals are not subject to the California Environmental Quality Act. In addition, the County grading ordinance is not in Title 19 (although some grading provisions are in the Uniform Building Permit). Title 22 (development standards), Title 21 (subdivisions), Title 26 (growth management) all do not apply.

The Election Code requires that any future amendment of the initiative must be submitted to the voters, however, the Initiative measure allows an owner of a portion of the property to apply to the Board of Supervisors to amend the initiative.

County Process

In order to establish the project proposed by the initiative using the typical county process, the applicant would need to first amend the General Plan. The land use category is currently Agriculture and it would need to be changed to a combination of Commercial, Office, Residential and Recreation land use categories. Once a General Plan Amendment was approved, a Land Use Permit could be processed that would authorize the use and set conditions for its establishment and operation. Both General Plan Amendments and Land Use Permits are subject to notice and public hearing requirements and are subject to the provisions of the California Environmental Quality Act. Issuance of a construction permit is the final step. If the Initiative were to pass, neither a General Plan Amendment, nor a Land Use Permit would be required.

City Process

In the City, the process would be much the same as the County Process, except that the property would need to be annexed into the City and a General Plan Amendment would not be necessary. The property is already designated Commercial in the City's General Plan.

Meeting 2

The meeting held on August 2, 2006 was a series of presentations from County staff representing the Planning and Building Department, the Parks Division of General Services, the Environmental Health Division of the Health Department, CDF / County Fire Department and the Public Works Department.

County Planning and Building

The Planning and Building Department raised concerns about the lack of specificity in the initiative. The lack of clarity in the standards and conditions of the initiative could lead to disagreements between staff and the applicant of what can be approved. There are also concerns regarding timing. Many of the conditions refer to "prior to grading activities" which would indicate a permit for grading has been issued. It is unknown at this time whether this lack of specific triggers could create disagreement between the applicant and staff over the timing of specific conditions that are applied to the development. The standard process would include review of specific architecture, colors, and materials. The project would be required to be consistent with approved elevations and color and material boards. The initiative does not establish specific architecture requirements and only minimally addresses colors and materials.

Planning staff also has concerns about some unintended consequences of the initiative relative to changes proposed for the Ag and Open Space Element of the General Plan. The initiative proposes to delete the sentence "as well as other lands being used for production agriculture." This change would make the Element not apply to lands that are outside of the Agriculture land use category, but currently in production agriculture, Countywide. This is a significant policy change for this element.

County Parks

County Parks raised concerns about the ownership of facilities and the potential for connectivity of trails and open space. In addition they are concerned about a lack of project control by County Parks in that there is no mechanism to ensure standards in construction methods for parks will be met, no mechanism to ensure use of county parks' standardized fixtures / equipment (ie: irrigation systems) and the project apparently is not subject to oversight, inspection and approval by county parks.

There are ways that ongoing maintenance expenses could be met. These include a localized "assessment district" established to fund maintenance costs, a collaborative management agreement could be developed with the City of SLO, the Farm and Farmer's market could become part of public recreation facilities and would generate revenue to offset the maintenance of other facilities on the site and the developer could offer an endowment fund to cover the costs maintenance. However, none of these items is mandated by the initiative.

County Environmental Health

The Environmental Health Section of the County Health Department specified that a permit would be necessary from Environmental Health Services or the State Department of Health Services per Section 11625 of the State of California Health and Safety Code (Safe Drinking Water Act, Title 22) to establish a community water system. A CEQA determination must be made prior to issuance of the water system permit.

County Fire

CDF / County Fire raised concerns about fire response times from County Fire Stations. The response time from the City of SLO Station is two minutes. The closest County Fire Station (located at the Airport) is a seven minute response time. This exceeds the National Fire Prevention Association Standard of four minutes. In order to improve First Alarm Response Times and meet the NFPA standard, the County could do nothing and accept existing response time to this urban area, renegotiate the Mutual (Automatic) Aid Agreement, or contract with the City for protection.

County Public Works

County Public Works is concerned about the initiative removing the standards for drainage that are established under Title 22, that there are no provisions in the initiative for watershed review and that there is no mechanism in the initiative for ongoing maintenance of the drainage basins. However, Public Works would apply drainage review under individual building permits under Title 19, and although Flood Hazard review is not established, there are federal requirements that may be applicable. In addition, encroachment permits from the City of San Luis Obispo would be necessary for all work done within city rights-of-way.

Meeting 3

On August 16, 2006 there were presentations from the City of San Luis Obispo, the San Luis Obispo Council of Governments (SLOCOG), the Regional Water Quality Control Board (RWQCB), and the California Department of Transportation (Caltrans). These outside agencies brought forward a number of issue areas.

City of San Luis Obispo

The City noted that in 2004, the City of San Luis Obispo City Council approved a project on the Dalidio Ranch site called the San Luis Marketplace. This approval was viewed by the City Council and Mr. Dalidio as implementing a compromise established over many years of negotiation, development review, and permitting. However, citizens opposing this project successfully circulated a petition and, in an April 2005 special election, voters overturned the City Council's approvals. Following this special election, Mr. Dalidio chose to pursue an initiative process for approval of a project on the site. The City raised a number of concerns that were outlined in a letter previously submitted (and attached to this report).

SLOCOG

SLOCOG evaluated the potential traffic impacts. They determined that without the Prado Road interchange, or a significant delay in the construction of the interchange, the additional traffic added to the system from Dalidio Ranch is expected to overwhelm both Madonna and Los Osos Valley Roads, and their interchanges with US 101. The traffic forecasts from the Dalidio Ranch Traffic Analysis indicate that Madonna Road from US 101 to Los Osos Valley Road will operate at Level of Service (LOS) F, and Los Osos Valley Road will fail at three intersections. There are some potential financing solutions for construction of necessary improvements including a Cooperative Agreement with City and/or County and Developer, a Lead Agency/Developer to implement the interchange construction project and a Comprehensive Funding Plan that could include the formation of a Community Facilities District.

RWQCB

The Regional Water Quality Control Board noted that a permit to discharge wastewater is needed for establishment of the Dalidio project on-site Wastewater Treatment Plant. In addition, a Construction Stormwater General Permit which requires the development and implementation of a Storm Water Pollution Prevention Plan (SWPPP), a State Water Quality Certification and an Irrigated Agriculture Waiver must be obtained.

Caltrans

Caltrans presented that it is their position that the conditions currently proposed as mitigation in the initiative are inadequate and do not mitigate the impacts of this development to a less than significant level. In order to determine those impacts and mitigation measures a thorough and comprehensive Traffic Impact Study (TIS) needs to be conducted in order to (1) identify the impacts and (2) determine the appropriate course of action to mitigate those impacts. A TIS should be comprehensive, and engage all of the transportation stakeholders (City of SLO, County of SLO, SLOCOG and Caltrans) in the development of the scope and process.

Meeting 4

The last meeting of the Dalidio Ranch Initiative Committee held on August 30, 2006, included a presentation by David Taussig on Mello-Roos or Community Facility Districts (CFD). Although the initiative does not require the formation of this type of district, the initiative proponents, as well as others, have raised this as a way of obtaining funding for construction of proposed improvements and on-going maintenance of public facilities such as the proposed ball fields.

A CFD is created to finance public improvements and services when no other source of money is available. CFD's are normally formed in undeveloped areas and are used to build roads and install water and sewer systems so that new homes or commercial space can be built. CFDs are also used in older areas to finance new schools or other additions to the community. Once a CFD is established, property owners in the CFD then pay a Special Tax each year. If the project cost is high, municipal bonds will be sold by the CFD to provide the large amount of money initially needed to build the improvements or fund the services.

The remaining time on the meeting included a presentation by the initiative proponent's traffic engineer and comments from the general public.

July 19, 2006

Information provided at the first meeting of the Dalidio Ranch Initiative Committee

AGENDA

- I. Introduction of committee members
- II. Overview of the initiative
- III. Planning Process
 - What would be the normal process
 - How that will change if the initiative passes
 - County staff - process concerns (general overview)
- IV. City staff process
- V. Discussion of content of future meetings

Overview of the Initiative

Authority

The electorate is empowered to act pursuant to article II, section 11 of the California Constitution. This power is "co-extensive with the legislative power of the local governing body." (DeVita at 775).

General Plan amendment and zoning ordinance amendment are local legislative matters that are not of statewide concern.

Land use regulation is a function of local government under the police power contained in the California Constitution, article XI, section 7.

Statutory Procedural Requirements

Statutory procedural requirements imposed on the local legislative body when amending the general plan generally do not apply to the electorate.

- A. Requirement of noticed public hearings before the planning commission and legislative body. (Govt. Code sec. 65353- 65355).
- B. Public participation, public agency participation, public utility participation. (Govt. Code sec. 65351).
- C. Referral to other agencies (e.g. schools). (Govt. Code sec. 65352).

- D. Referral to California Native American tribes (too new to know). (Govt. Code sec 65352.3 (a)(1)).
- E. Referral to Airport Land Use Commission (no case law on this issue). ALUC normally must find consistency with ALUP. Possible override by 2/3rds. (Public Utilities Code sec. 21676(b)).

California Environmental Quality Act (CEQA)

CEQA does not apply to initiative measures when submitted by the voters. Election Code sec. 9111 allows some investigation of environmental impacts.

General Plan Law

Substantive requirements of the general plan law continue to apply to amendments by initiative.

- A. Initiative must be internally consistent.
- B. Initiative may not make the general plan internally inconsistent.
 - 1. Attachment E of the initiative attempts to make conforming general plan amendments.
 - 2. Potential issue with one such conforming amendment to the Ag & Open Space Element. (discussed later in this report)
- C. Consistency must be maintained between the Land Use Ordinance (Title 22 of the County Code) and the general plan.

Dalidio Initiative Components

Dalidio Initiative amends the San Luis Obispo Area Plan

Creates a new "Dalidio Ranch" land use category

Allowable uses include:

- 530,000 square feet of interior commercial or retail space;
 - building footprints in Attachment D of the initiative are only illustrative;
 - up to 6 major tenants in no less than 20,000 square foot buildings;
 - 140,000 square feet limit on any one building;
 - no limit on small buildings for other than major tenants (undefined);
- 30,000 square feet of outdoor sales;

Outdoor areas

- up to two soccer fields (storm water detention);
- farmer's market;
- agricultural area;
- trails

150 room 4-story hotel;

198,000 square feet of offices;

60 residential units;

Wastewater treatment facility and ponds.

Dalidio Initiative creates a site-specific part of Title 22 and excludes the remainder of Title 22 from applying to the site.

Land subject to the Dalidio Ranch zoning district shall not be subject to any provision of the County Code that purports to regulate or guide land use or development, except those contained in the new Dalidio Ranch part of Title 22. (Proposed Section 22.113.010 of the Dalidio Initiative).

All applications for development on Dalidio Ranch shall be granted ministerially so long as they comply with the grading and building standards of Title 19. Ministerial approvals are not subject to the California Environmental Quality Act.

The County grading ordinance is not in Title 19 (however, some grading provisions are in the Uniform Building Code). The remainder of Title 22 (development standards), Title 21 (subdivisions), Title 26 (growth management) all do not apply. This includes the limitation on grocery square footage (22.10.125), signage, architectural standards, highway corridor standards etc.

Conditions in Attachment F of the initiative apply to development within the Dalidio Ranch.

Conditions include: traffic improvement funding, phasing, community amenities, UBC compliance, storm water, lighting, air quality, biology, ag buffer, many more.

When an owner of a portion of the Ranch requests it to do so county shall administer conditions according to same processes used on other development projects. (Proposed Section 22.113.030 of the Dalidio Initiative).

The initiative creates seven subareas matching the allowable uses. It designates allowable uses within each subarea (defined in Proposed Section 22.113.048 of the Dalidio Initiative). The initiative also imposes various parking, height lot coverage and density standards. For instance, the initiative requires that signs are to be reasonably consistent with signs for comparable uses in the surrounding area.

What laws might apply to development activities on the Dalidio Ranch property?

Federal Law

1. Clean Water Act (section 404, NPDES II)
2. Endangered Species Act

State Law

1. Subdivision Map Act
2. Porter-Cologne Water Quality Control Act
3. California Endangered Species Act
4. California Environmental Quality Act - but only to the extent there are discretionary decisions made

County Law

Provisions of the new Dalidio Ranch zoning district in Title 22.

Grading and Building standards of Title 19 (not the location of County grading ordinance).

Title 18 (public facility fees).

Title 20 (street address ordinance).

Future Amendment

Election Code requires that any future amendment of the initiative must be submitted to the voters (Elections Code sec. 4013).

Within the initiative measure itself, there is an allowance for an owner of a portion of the property to apply to the Board of Supervisors to amend the initiative. (Unaware of any reported appellate decisions on such a procedure).

County Process (Absent the Initiative)

General Plan Amendment

This is the vehicle that an applicant uses to change the land use category (which is a combination of the General Plan designation and the Zoning designation) on a specific property.

After an applicant applies for a General Plan Amendment, the Board of Supervisors determines whether to authorize the processing of the General Plan Amendment. Approximately 10 to 12 weeks after the amendment application is submitted, the proposal is taken before the Board of

Supervisors, who will either direct the department to continue to process the application, or decide not to consider it. If the Board terminates the process, any unused portion of the initial fee deposit will be refunded. If the Board chooses to process the request, the remaining steps outlined occur. However, it should be clearly understood that Board of Supervisors authorization for processing is no guarantee that the request will later be approved. The proposed amendment must still undergo the environmental review process, detailed staff analysis, and public hearings. If problems are identified, changes may be required before it can be approved or it could result in the request being denied.

If authorized for processing, a detailed project description is developed by the applicant and reviewed by County staff to use in completing the environmental review. The project description can include both a description of the General Plan Amendment and a description of project that would require approval of a Land Use Permit if the amendment is approved.

As required by the California Environmental Quality Act (CEQA), the application will be subject to an environmental review to determine if significant environmental impacts could result from the proposed change. The preparation of an environmental document is completed. In the case of a large development and a General Plan Amendment, it would have most likely required the preparation of an Environmental Impact Report (EIR). An EIR thoroughly analyzes potential environmental effects of the amendment and recommends specific mitigation measures designed to minimize or otherwise address each effect. When an EIR is recommended by staff, an applicant may request that the Board of Supervisors decide whether or not to require an EIR

The General Plan Amendment is heard by the Planning Commission at an advertised public hearing. The Planning Commission holds an advertised public hearing on the proposed amendment. They will carefully review the staff report, any relevant information the applicant provides, and hear comments from the public. The Planning Commission makes a recommendation on the amendment to the Board of Supervisors. The Board of Supervisors holds another advertised public hearing on the requested amendment during which it will consider the Planning Commission recommendation, any additional information provided and comments from the public. The Board of Supervisors makes a decision on the General Plan Amendment and if approved, 30 days later the amendment becomes effective and the land use category is changed on the official maps.

Land Use Permit

A Land Use Permit is used to authorize a use and set conditions for its establishment and operation.

Action on the Land Use Permit could occur after the amendment is effective. If the Environmental Document addressed the project, it can be used to comply with the requirements of CEQA.

The Land Use Permit is heard by the Planning Commission at an advertised public hearing. The Land Use Permit establishes the conditions of approval that are required to be completed before the building permit can be issued or completed, the use established, etc. These conditions cannot be changed once the Planning Commission takes an action without going back to the Planning Commission for a noticed public hearing or going to the Board of Supervisors through an appeal.

The decision on a Land Use Permit can be appealed to the Board of Supervisors. The Board's decision is final.

Construction and Grading Permits

A construction permit is needed for any project that involves building or altering a structure or its plumbing, mechanical or electrical systems. Additionally, any project that includes grading, where soil will be removed and/or filled in, requires a permit.

Construction and Grading Permits can be applied for after the appeal period is complete or immediately after the Board of Supervisors takes action on an appeal. Plans are submitted by an applicant and are reviewed as follows:

Initial Review - Determines if the project is allowed within the land use category (zoning), sets the fees, and sets the requirements for setbacks and height. Also identifies the other county, state and federal agencies that need to review the project and identifies whether the construction plans are complete enough to allow processing.

County Review - The plans are reviewed to assure consistency with Title 19 and the UBC. The plans are reviewed by any applicable county departments such as Public Works, Health Department and CDF/County Fire. The plans are also reviewed to assure that the proposal is consistent with the Land Use Permit conditions of approval.

Outside Agency Review - Any necessary permits from state or federal agencies must be granted before county permits can be issued.

Once a permit is issued, regular inspections occur, with final inspection completed at the end of the process when all conditions of the permit have been completed. Final inspection can include: CDF final inspection, Planning Department "dev rev" inspection, other county departments and state and federal agency inspection as applicable. For commercial projects, once all inspections have been completed and all conditions met, a Certificate of Occupancy is issued.

Overview of Process (Absent the Initiative)

- | | |
|---------------------------------|-------------------------------------|
| 1. GPA SUBMITTED | 10. CONSTRUCTION PERMIT SUBMITTED |
| 2. GPA AUTHORIZED | 11. REVIEWED FOR CONSISTENCY |
| 3. ENVIRONMENTAL REVIEW | W/CODES, CONDITIONS & |
| 4. PLANNING COMMISSION HEARING | ORDINANCE STANDARDS |
| 5. BOARD HEARING | 12. OTHER AGENCY PERMITS ISSUED |
| 6. LAND USE PERMIT SUBMITTED | 13. COUNTY PERMIT ISSUED |
| 7. ENVIRONMENTAL REVIEW | 14. INSPECTIONS PERFORMED |
| 8. PLANNING COMMISSION HEARING | 15. PERMIT FINALED |
| 9. POSSIBLE APPEAL TO THE BOARD | 16. CERTIFICATE OF OCCUPANCY ISSUED |

Process (If the Initiative passes)

Overview of Process (If the Initiative passes)

- | | |
|--|-------------------------------------|
| 1. GPA SUBMITTED | 11. REVIEWED FOR CONSISTENCY |
| 2. GPA AUTHORIZED | W/CODES, CONDITIONS & |
| 3. ENVIRONMENTAL REVIEW | ORDINANCE STANDARDS (AS |
| 4. PLANNING COMMISSION HEARING | MODIFIED BY THE INITIATIVE) |
| 5. BOARD HEARING | 12. OTHER AGENCY PERMITS ISSUED |
| 6. LAND USE PERMIT SUBMITTED | 13. COUNTY PERMIT ISSUED |
| 7. ENVIRONMENTAL REVIEW | 14. INSPECTIONS PERFORMED |
| 8. PLANNING COMMISSION HEARING | 15. PERMIT FINALED |
| 9. POSSIBLE APPEAL TO THE BOARD | 16. CERTIFICATE OF OCCUPANCY ISSUED |
| 10. CONSTRUCTION PERMIT SUBMITTED | |

Process Concerns (If the Initiative passes)

Lack of Specificity

Typically the process allows for the review and establishment of very specific standards and conditions. The initiative does not establish conditions for many details of the project.

Example:

Conditions would have established a sign program with square footages, location, and design.

Initiative states:

"Signage shall be reasonable consistent with signs for comparable uses in the surrounding area".

This could lead to disagreements between staff and the applicant of what can be approved because there is no clarity in the standard.

Lack of Triggers

Typically the process establishes review and timing triggers. The initiative is not always clear.

Example:

Conditions often require that information be provided "prior to issuance of construction permit"

Initiative states:

Many of the conditions refer to "prior to grading activities" which would indicate a permit for grading has been issued

It is unknown at this time whether this lack of specific triggers could create disagreement between the applicant and staff over the timing of specific conditions that are applied to the development.

General Plan - Unintended Results

Framework for Planning - adding the Dalidio Ranch land use category

The parenthetical comment that the land use categories are listed in order of increasing intensity of use has been struck. The overall intent of the county's designation of land use categories may be confused by this deletion

Ag and Open Space Element - delete the sentence "as well as other lands being used for production agriculture."

The change makes the Element not applicable to lands not designated with the Agriculture land use category, but currently in production agriculture, Countywide.

This is a significant policy change for this element.

City of San Luis Obispo Process (Absent the Initiative)

The city process is similar to the County process because of the prevailing state laws, but there are several differences.

Annexation

The Dalidio property is not yet within the city limits of the City of San Luis Obispo. The property must be annexed to the City to receive water and sewer service. The City reviews the annexation proposal to determine if it is consistent with the General Plan and to determine what the property should be zoned once it is annexed. The pre-zoning is guided by the General Plan and established concurrent with the annexation application. The City cannot establish conditions of approval and mitigation measures on property development until after it is annexed. Until then, the City only reviews the development proposal and makes recommendations to the County based on the City's and the County's General Plans.

The City makes a recommendation to the Local Agency Formation Commission, which is authorized by the State to approve or deny annexation proposals.

General Plan Amendment

The City's General Plan presently calls for the property to be annexed to the City, served with City services, and zoned half for commercial (General Retail) and residential uses (Medium Density Residential) and half for open space and agriculture. An application that is consistent with this land use can go through the development review process without a general plan amendment. A shopping center development is consistent with the General Plan without an amendment. If the property owner wants different land uses on their property, or different land use boundaries) as would be needed for the current proposal for the Dalidio farm, the property owner may request a change (amendment) to the general plan concurrent with the City's review of an annexation request.

Zoning

When an annexation is complete the City establishes a land use zone on the official Zoning Map. The boundaries of the zoning would be consistent with the General Plan and the pre-zoning. The zoning districts for the types of uses proposed with the initiative would be Retail Commercial (C-R), Medium-Density Residential (R-2), and either Agriculture (Ag) and/or Open Space (OS).

Planning Commission Use Permit

Retail stores exceeding 60,000 square feet in the C-R zone require approval of a use permit by the Planning Commission. This process may occur concurrent with an annexation or general plan amendment/rezoning request.

Architectural Review Commission Approval

The site plan (building placement, grading, parking and circulation, and landscaping) and building architecture must be found consistent with the City's development standards and guidelines by the City's Architectural Review Commission.

Environmental Impact Analysis (CEQA Review)

The proposed development will be evaluated for potential environmental impacts prior to any decisions on the general plan amendment, use permit or architectural review. The Marketplace application reviewed by the City involved an environmental impact report (EIR).

Responsible Agency Review

As a part of the general plan amendment and/or permit process, the proposed development would be referred to regional, state and federal agencies that have jurisdiction over any part of the property. This includes the Air Pollution Control District, Caltrans and others.

Building Permits

After the development proposal has its discretionary approvals, plans detailing compliance with the previous approvals and the building codes are submitted for review and approval by the City's Building Division, Fire Department, Public Works Department, and Utilities Department. At this time the developer must show how all the conditions of previous approvals will be satisfied.

Encroachment Permits

The developers will need approval from the Public Works department to modify or work in any of City's public right-of-ways.

Building Inspection

New construction is inspected for compliance with applicable building codes and requirements of the building permit.

Certificate of Occupancy

Once new construction has been found compliant with all applicable building codes and conditions of approval, a certificate of occupancy is issued allowing new buildings to be occupied.

City of San Luis Obispo Process (If the Initiative passes)

The Initiative will allow the property to be developed with almost no City participation, except that an encroachment permit from the City would remain necessary.

August 2, 2006
Information provided at the second meeting of the Dalidio Ranch Initiative Committee

AGENDA

- I. Public Comment (Items not on the agenda)
- II. Discussion of Dalidio Ranch Initiative - County Staff
 - a. Planning
 - b. Parks
 - c. Environmental Health
 - d. CDF/County Fire
 - e. County Public Works
- III. Adjourn to August 16, 2006

COUNTY PLANNING

PROCESS ISSUES (If the initiative passes)

Interpretation of Conditions
Specificity
"Triggers"
Architecture/Color/Materials
Lighting

Use Definitions

Specificity

Typically the process allows for the review and establishment of very specific standards and conditions. The initiative does not establish conditions for many details of the project.

Example 1:

Conditions would have established a sign program with Square Footages, Location, and Design

Initiative states:

"Signage shall be reasonable consistent with signs for comparable uses in the surrounding area".

Example 2:

Conditions would have established visual screening requirements

Initiative states:

“...planted landscaping shall assist to screen views of structures in a reasonable manner”.

The lack of clarity in the standards and conditions of the initiative could lead to disagreements between staff and the applicant of what can be approved

Triggers

Typically the process establishes review and timing triggers. The initiative is not always clear.

Example:

Conditions often require that information be provided “prior to issuance of construction permit”

Initiative states:

Many of the conditions refer to “prior to grading activities” which would indicate a permit for grading has been issued

It is unknown at this time whether this lack of specific triggers could create disagreement between the applicant and staff over the timing of specific conditions that are applied to the development.

Architecture / Colors / Materials

Typically the process would include review of specific architecture, colors, and materials. The project would be required to be consistent with approved elevations and color and material boards. The initiative does not establish specific architecture requirements and minimally addresses colors and materials.

Example:

Conditions would have required that architecture be consistent with approved elevations

Initiative states:

Is silent on architecture – no elevations in initiative

“Exterior wall surfaces that face public viewing corridors are required to use materials and colors that will not produce any greater glare than that produced by comparable surrounding structures”

“Outdoor storage, trash collection is required to be thematically incorporated into the overall site design and the materials, colors and design of screening walls shall conform to those used as predominant materials and colors on the buildings”

It is unknown at this time whether not having specific architecture included in the initiative could be an issue.

Lighting

Typically the process would include a condition that is very specific as to lighting. County ordinance prohibits light escaping onto adjacent properties.

Example (existing stock lighting condition):

At the time of application for construction permits, the applicant shall provide details on any proposed exterior lighting, if applicable. The details shall include the height, location, and intensity of all exterior lighting. All lighting fixtures shall be shielded so that neither the lamp nor the related reflector interior surface is visible from adjacent properties. Light hoods shall be dark colored.

Initiative states:

Building and parking lot designs shall minimize automobile and parking lot lights from spilling over the existing property lines

Another condition requires that all glare be fully contained on the site

It is unknown at this time whether lighting will spill onto adjacent residential properties and whether this will become a problem to those residents

Use Definitions

There are a number of the proposed uses that are not defined by the initiative (ex: Entertainment, Car Wash, Organic Food Service)

It is unknown at this time whether this lack of definitions could create disagreement between the applicant and staff over proposed uses in the project

COUNTY PARKS

Areas of Concern

Project description is vague

There are unanswered questions about the ownership facilities and the potential for connectivity of trails and open space

Which facilities are proposed for dedication to the county as public parks?

Lack of project control by County Parks

No mechanism to ensure standards in construction methods for parks

No mechanism to ensure use of county parks' standardized fixtures / equipment (ie: irrigation systems)

Project apparently not subject to oversight, inspection and approval by county parks

How will ongoing maintenance expenses be met? Potentially the following could be done:

Localized “assessment district” to fund new maintenance costs could be established

Collaborative management agreement could be developed with the City of SLO

Farm and Farmer’s market could become part of public recreation facilities and would generate revenue to offset the maintenance of other facilities on the site.

Developer could offer an endowment fund to cover maintenance.

Compatibility of design issues

Sport fields that are retention basins have proven to be a challenging mix for both maintenance and use. Could create many times of the year that the facilities are not available when they are acting as retention basins, or still drying out. This is especially true in heavy soils.

Proposed site for skate park – is site appropriate? This evaluation has not occurred.

Are public restrooms included to support the sports fields? There is nothing specific in the initiative requiring the construction of these types of support facilities.

Long term capital needed for rehab and ongoing maintenance of sports fields that are subject to frequent inundation

COUNTY ENVIRONMENTAL HEALTH

Water

Permit Authority

A permit would be necessary from Environmental Health Services or the State Department of Health Services per Section 11625 of the State of California Health and Safety Code (Safe Drinking Water Act, Title 22) to establish a community water system

A CEQA determination must be made prior to issuance of the water system permit (state)

Permit Process (County Permit)

Submit the following information

1. Well construction and location
2. Well production testing
3. Well drawdown and recovery data
4. Full water quality
5. Determine if treatment is necessary
6. Determine if treatment creates a discharge requirement or the need for a discharge permit
7. Engineering plans for all components of the water system. Plans reviewed in conjunction with County Public Works

State requires that an operator demonstrate that there is adequate financial, managerial and technical capacity to ensure the delivery of pure, wholesome, and potable drinking water.

Wastewater

Permit Process

The permitting for the waste removal process will be through the State Regional Water Quality Control Board (Central Coast Region)

Other Permits

After construction – in order to establish some uses – permits may be required for:

Hazardous Materials
Food Facilities
Public Pools
Underground Storage Tanks

CDF / COUNTY FIRE

Fire Protection - Issues

Fire Flow Requirements

The project must have enough water storage and pressure to meet the minimum requirements of CFC Appendix IIIA

Estimate a minimum of 360,000 Gallons of Water Storage plus domestic needs.

The hydrant distribution must comply with CFC

Water Master Plan Standards

Residential – 1,500 gpm

Commercial/Industrial – 2,500 gpm

Urban Downtown Development/Heavy Industrial– 4,500 gpm

All pipe diameters will be a minimum of 8 inch.

Spacing of hydrants in commercial should be 250 feet and 300 feet in residential.

First Alarm Response Time - NFPA standard 1710 – first engine in 4 minutes.

Current Mutual (Automatic) Aid agreement with City only include fires. Mutual Aid agreements are based on reciprocal aid.

First Alarm Response Time

CURRENT RESPONSE TIMES	
Station	Response Time *
SLO 4	2 minutes
21 Airport	7 Minutes
12 Headquarters	8 minutes
62 Avila	10 minutes

* Does not include dispatch and get ready time, add 2 minutes.

Options to improve First Alarm Responses Time and meet the NFPA standard 1710 – first engine in 4 minutes.

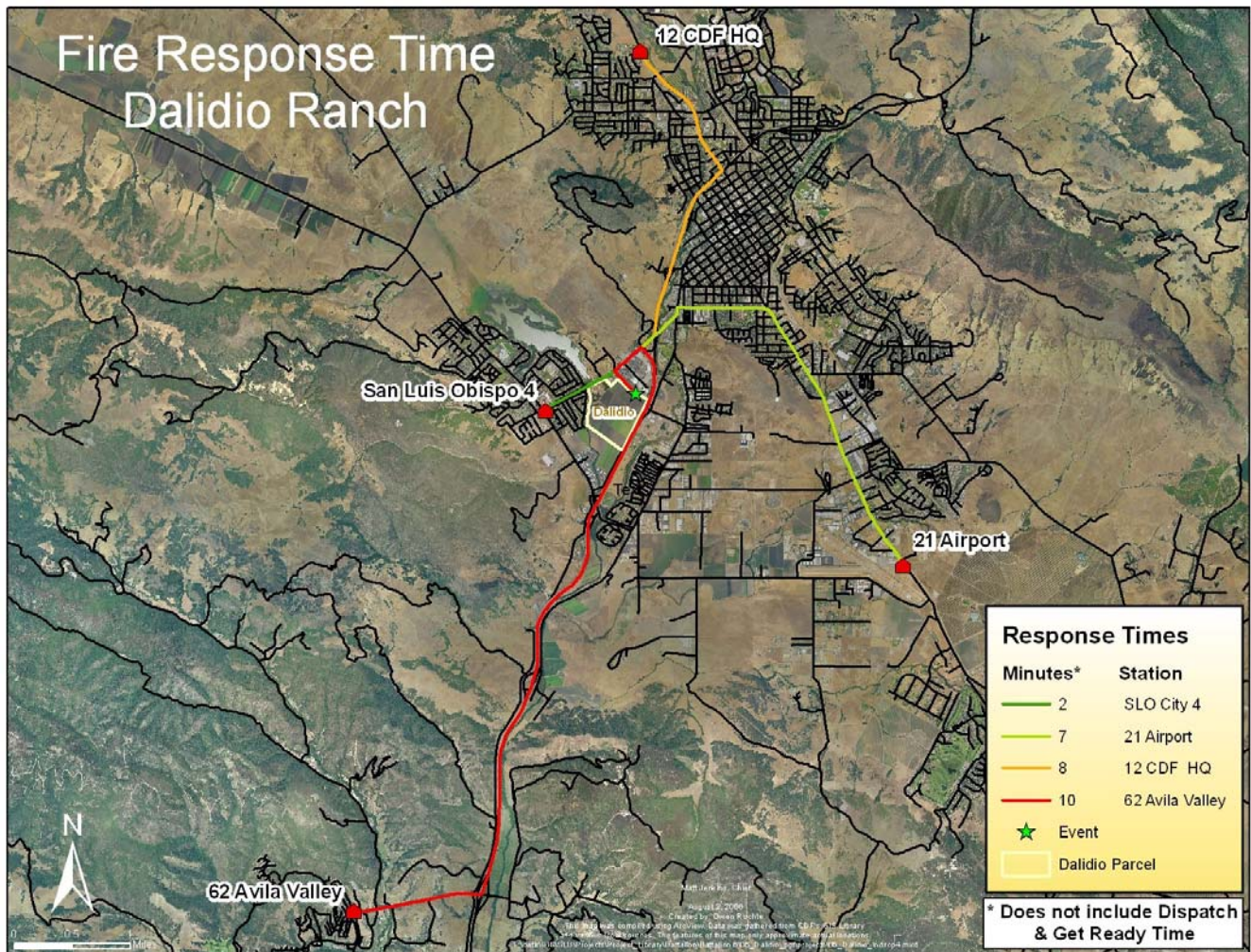
Do nothing and accept existing response time to this urban development – No fire paramedic or ladder truck.

Renegotiate the Mutual (Automatic) Aid Agreement. May require improved County Services to match the City.

Contract with the City for protection.

Protection Systems

Will require that building is in compliance with the CFC and local County amendment. All buildings greater than 5,000 square feet will be required to have fire sprinklers. The City requires all buildings have fire sprinklers



COUNTY PUBLIC WORKS

Areas of Public Works Review

Drainage and Flood Control

Typical Review Items

1. Section 22.52.080 of the Land Use Ordinance establishes drainage review
2. Hydrologic Analysis
3. Facility Design and Capacity
4. Detention of Increased Run-off
5. Establishment of Floodplain and building elevation above 100 year flood limit

6. Potential mitigation of impacts (San Luis Obispo Creek Watershed)

Dalidio Initiative Process (If the initiative passes)

1. Deletes processing under existing Title 22 codes
2. Public Works would apply drainage review under individual building permits under Title 19
3. Flood Hazard review not established, however, federal requirements may be applicable.
4. No provision for watershed review; County would study to assess liability

Maintenance of Drainage Basins

Typical Review Items

1. Establishment of Flood Control or Assessment District
2. Establishment of annual fees and maintenance responsibilities
Would be needed for other public features such as Street Lights and Landscaping

Dalidio Initiative Process (If the initiative passes)

1. No Clear Mechanism for establishing maintenance responsibility and district to fund annual costs

Water and Wastewater

Typical Review Items

1. Assure "Will Serve" from agency or community system in place
2. Location and construction utilities in conjunction with road improvement plans

Dalidio Initiative Process (If the initiative passes)

1. Likely no difference in processing
2. Other agencies would have regulatory concerns for processing

Internal Road Improvements

Typical Review Items

1. Prepare plans to County Standards
2. Enter into checking and inspection agreement
3. Construct improvement under Registered Engineer

4. Encroachment Permit required to connect to existing roads
5. County accepts roads into maintained system upon certification of the work

Dalidio Initiative Process (If the initiative passes)

1. Section 22.113.50 of the initiative states that "all streets...shall be constructed to County public road standards."
2. Section 22.113.020 states that "no land use approval.. shall be required."
3. County would ultimately not accept roads if not built and processed to our standards
4. Encroachment permit would be required from City
5. Access to Embassy Suites and parking concerns - how will this happen?

Transportation Mitigation

Typical Review Process

1. Conduct traffic study for existing traffic, existing plus project traffic, and cumulative plus project traffic
2. Determine impacts
3. Identify mitigation contribution
4. Construct off-site improvements or contribute to County mitigation account (Road improvement Fees)

Dalidio Initiative Process (If the initiative passes)

1. Not tied to Traffic Study
2. Impacts not fully addressed
3. Mitigation funds submitted at occupancy instead of at building permit issuance. In addition, the mitigation funds are tied to certain milestones by the City and/or State that there are no assurances will be met. If unmet, the funds go back to the developer.
4. Reverts burden of improvements to County if improvements have not been made by others in timely matter. Relieves developer of City improvements if not done within one year, relieves developer of Overpass improvements if not done within 10 years.

5. Exempted from Road Impact Fees
6. Bypasses multiple agency review and approval (SLOCOG, City, Caltrans)

Public Works Overview

Drainage review and maintenance provisions reduced

Internal Road System construction review affected. City encroachment permit required.

August 16, 2006

Information provided at the third meeting of the Dalidio Ranch Initiative Committee

AGENDA

- I. Public Comment (Items not on the agenda)
- II. Discussion of Dalidio Ranch Initiative - City Staff
 - a. City of San Luis Obispo
- III. Discussion of Dalidio Ranch Initiative - Agency Staff
 - a. San Luis Obispo Council of Governments
 - b. Regional Water Quality Control Board
 - c. Caltrans
- IV. Incorporated City and Unincorporated Community Participation
- V. Adjourn to August 30, 2006

CITY OF SAN LUIS OBISPO

Overview Comments

In 2004, the City of San Luis Obispo City Council approved a project on the Dalidio Ranch site called the San Luis Marketplace. This approval was viewed by the City Council and Mr. Dalidio as implementing a compromise established over many years of negotiation, development review, and permitting.

Citizens opposing this project successfully circulated a petition and, in an April 2005 special election, voters overturned the City Council's approvals, specifically as they related to:

- 1. The General Plan Amendment
- 2. The Zone change
- 3. The Development Agreement

Following this special election, Mr. Dalidio chose to pursue an initiative process for approval of a project on the site. The City was invited to participate in this Committee to engage in fact-finding to improve voter understanding of the initiative.

In developing facts about the initiative, we are immediately confronted with enormous policy, planning and service conflicts. They are unavoidable and they not unique to San Luis Obispo. Any city facing such an initiative would have similar issues because this initiative challenges some very basic municipal planning principles.

The initiative conflicts with San Luis Obispo General Plan policies:

The General Plan does not support the development of urban-like projects adjacent to the City, but outside the City limit.

The General Plan precludes the extension of water and sewer service to private projects outside the City limit.

The General Plan supports traditional public safety “mutual aid” and interagency assistance, but never envisioned day-to-day police and fire service to a large project outside the City limit.

Therefore, it is just not possible to propose City service or mitigation strategies to enable the Dalidio Ranch, as it is presently proposed. This is because it would require the City to service or help facilitate a project outside the City limit, even though this is clearly not allowed by the San Luis Obispo General Plan.

Staff Analysis of Issues and Impacts

Legal Framework

CEQA specifically exempts initiative measures of the voters not sponsored by a public agency. Therefore the Dalidio Ranch Initiative is not subject to the requirements of CEQA.

The initiative process applies to legislative acts. These are general rules that apply in future cases. Legislative acts include General Plan Amendments and Zoning Amendments. The Dalidio Ranch Initiative proposes amendments to the County’s general plan and ordinance.

The Dalidio Ranch initiative also includes amendments to the County’s ordinance that makes all future actions by the County ministerial. This means there will be no exercise of discretion that might provide an opportunity for further public or public agency comment on the proposal.

Approvals are still needed from various state agencies, and an initiative measure may not regulate matters that have been regulated by the State. Thus the initiative cannot take away regulatory authority of state agencies.

Policy Implications

The initiative approach circumvents permit procedures that assure that the development of the land is appropriate and that the impacts of the projects are known and addressed.

If measure is successful, developers throughout the County may see it as a much faster and less expensive route to the development of land than following the path established to assure careful and participative decision-making.

Service Issues

Fire and Paramedic

Emergency services are normally based on the closest resource rather than jurisdictional lines, with protocols established in “mutual or automatic aid” agreements.

These agreements do not contemplate the day-to-day services demanded by a very large project like the Dalidio Ranch – one with multiple, diverse uses.

County Fire is simply not organized and staffed to provide proper response times to a project like this, at the proposed location.

Contracting with the City for these services would impact other City services and raises major policy obstacles, since the General Plan does not support urban-like development adjacent to, but outside, City boundaries.

Police

The Sheriff Department does not patrol the area.

Relying on the City to provide police service poses the same service and policy problems, as does the City provision of fire and paramedic service.

Wastewater and Water

In urban areas, these services are typically provided by a government agency to assure proper quality, neighborhood compatibility, etc.

Initiative provides these services privately.

This approach raises questions about wastewater discharge, water treatment, firefighting suppression, and neighborhood and other issues.

Street Maintenance and Transportation

Initiative relies on City streets to access project, but no funding is identified for maintenance of City streets.

There is no plan for County transit service and City transit does not serve County areas.

Traffic Issues and Absence of Interchange

Mitigations fall far short in both impact and funding.

Absence of interchange initially – and more likely for many years – will cause traffic failure at several locations.

Proposed funding falls short - Cost: \$39 million (2006 Caltrans estimate). Marketplace “fair share” of total 52%, or approximately \$20 million

Initiative Proposes:

Design:	\$750,000*
Construction:	\$3.25 million* (only when construction contract awarded)
Land:	\$2.8 million (value for Marketplace)

*10-Year Deadline or funding reverts to County

The EIR completed for the Marketplace project concluded that the project proposed at that time, without the Prado Road interchange, would significantly impact five (5) intersections along Madonna Road and LOVR and would drop speeds of traffic on these roads to less than 10 miles per hour. Significant delays to side streets and residential streets in the Oceanaire neighborhoods were also forecast. (June 22, 2006, City Analysis, based on 1999 Dalidio Project Annexation EIR)

Los Osos Valley Road/Madonna Intersection - \$20,000 in escrow toward intersection and widening improvements – not sufficient and only available at contract award. 12-month deadline to complete environmental reviews, design, and construction contract award. Not a simple project – e.g. widening not in City plans; involves removal of cypress tree row. If project not awarded in 12 months, funding returns to developer.

Calle Joaquin Extension - \$150,000 to extend Calle Joaquin from LOVR to project – not sufficient and only available at contract award. 12-month deadline to complete environmental reviews, design, and construction contract award. Not a simple project – e.g. runs through existing City owned land dedicated for open space and would require a general plan amendment. If project not awarded in 12 months, funding returns to developer

Open Space and Agricultural Land Issues

Not consistent with City's General Plan for the area. (One-half to be dedicated in open space).

Raises questions about County agricultural land policies, which are changed by the initiative.

Fiscal Impacts

Added costs to the City for services such as police, fire, and street maintenance – if police and fire roll anyway.

Net loss of about \$1 million dollars per year comprised of approximately \$700,000 in existing City revenues and \$300,000 in added service/maintenance costs (does not include traffic congestion relief).

Other Stakeholder Agencies

Stakeholders would seem to include Caltrans, the Regional Water Quality Control Board, the Air Pollution Control District, LAFCo and other cities subject to the policy and precedent implications of the initiative.

SAN LUIS OBISPO COUNCIL OF GOVERNMENTS (SLOCOG)

SLOCOG - Background

SLOCOG is the Regional Transportation Planning Agency for the SLO County Region.

SLOCOG primarily works with the County, the Region's Seven Cities and Caltrans in planning for the future transportation network.

Impacts to Regional Facilities

Double of existing square footage of existing Madonna/Promenade Shopping Center, the project will add approximately 22,000 (Dalidio Traffic estimate) 36,000 (Caltrans traffic estimate) new trips to transportation network.

Without the Prado Road interchange, or a significant delay in implementation, the additional traffic added to the system from Dalidio Ranch is expected to overwhelm Madonna and Los Osos Valley Roads, and their interchanges with US 101. The traffic forecasts from the Dalidio Ranch Traffic Analysis indicate that Madonna Road from US 101 to Los Osos Valley Road will operate at Level of Service (LOS) F, and Los Osos Valley Road will fail at three intersections. LOS F can generically be described by vehicles requiring two or more signal phases to clear intersections. This level of delay at two adjacent interchanges and two regional routes serving the commercial areas can ripple back through the system, including vehicle queues potentially extending into US 101, impacting the highway's operations and safety.

Staff Concerns with Traffic Mitigation Plan in the Initiative

SLOCOG's assessment of the initiative focused on the level of confidence that, as the initiative is written, the Prado Road Interchange will be constructed in a timely manner. SLOCOG used the City of San Luis Obispo's agreement with Dalidio Ranch as a baseline for financing the improvements. The primary concerns SLOCOG staff sees between the previous agreement with the City and what is included in the initiative are:

1. Prado Road remains a significantly underfunded project with the passage of Measure J.
2. The Dalidio Initiative is proposing a flat rate of \$4 million toward the construction of the Prado Road interchange, and right of way for its footprint for an approximately \$40 million project (Caltrans estimate un-escalated). This will mean a significant shortfall in funding without additional local funds.
3. The proposed flat rate contribution as opposed to a pro-rata share of the interchange's costs, would not equitably account for costs escalations. Costs for building road improvements has dramatically risen in recent years due to

escalations in steel, oil, and concrete costs, reduction of competitive bids because of flight of many companies from California, and other factors.

4. Examples of recent cost estimates: Costs estimates for the State Route 41/ US 101 interchange were recently revised upward from \$18 Million to \$30 Million over an approximately 1 year period. Other examples of rapid cost escalations have been witnessed in the region including State Route 46 Widening Project, 46 East/101 Interchange, and the US 101 Widening Project in Santa Maria.
5. The initiative shifts the full responsibility for clearing environmental review, project design, and construction onto local agencies (City and County). Benefits of the previous agreement with the City would have had the developer coordinate the construction of the interchange at the same time as construction of the development. This approach continues to provide the highest potential to result in a completed interchange.

Connection to Regional Routes is incomplete

1. Assumes City of San Luis Obispo will authorize new connections to Madonna Road.
2. Proposed Calle Joaquin connection exacerbates congestion at Los Osos Valley Road Interchange.
3. No through connection at Froom Ranch.
4. Assumes full funding and reconstruction of the Los Osos Valley Road Interchange, which remains \$15 Million underfunded.

Potential Implications to Regional Funding Program

If Prado Road is not constructed in a timely manner, and traffic forecasts prove correct, SLOCOG will be likely forced to reevaluate its funding priorities for the short/mid term to address these transportation impacts. If faced with significant traffic impacts to the southern area of San Luis Obispo urban area, other priorities in the region would need to be compared to the impacts of delays in this area. Projects that would be subject to reprioritization may include short/mid range projects listed in SLOCOG's Regional Transportation Plan. These projects include:

LOVR/101 Interchange
SR46W/101 Interchange
Willow Road Interchange
Brisco Road Interchange
US 101 South County Improvements
1/101 Interchange Improvements

Potential Financing Solutions (assumes initiative passes)

Suggest original City/Dalidio Agreement as baseline framework.

Need Cooperative Agreement with City and/or County and Developer

Need Lead Agency/Developer to Implement Project

Identify Comprehensive Funding Plan:

1. Bond Funds to ensure timely construction of Prado Interchange
2. Citywide Developer Fees
3. City Margarita and Airport Area Developer Fees
4. Dalido Contribution (including Right of Way)
5. Some Percentage of Sales Tax / TOT dedicated for debt financing if bonded
6. Mello-Roos Assessment District
 - Requires affirmative vote of property owners
 - Currently Single Property Owner
 - Has potential to provide significant “gap funding”
 - Examples elsewhere in the County: Paso Robles (46W/US 101 Interchange) and County of San Luis Obispo (Willow Rd./US 101 Interchange)

One critical financial component has been missing from the discussion financing construction of an interchange at Prado Road. The formation of a Mello-Roos assessment district has the potential to close the gap between other funding sources such as transportation impact fees, sales-tax payback and the final cost of the interchange. Assessment districts are funding mechanisms that are approved by property owners for long-term improvements to their properties. An assessment district for Dalidio Ranch would present a critical last funding mechanism that has a high potential for success as the ranch has but one property owner at the current time.

CENTRAL COAST REGIONAL WATER QUALITY CONTROL BOARD

Required Permits and Waivers

Construction Stormwater

If a construction project will disturb one or more acres of soil, it is required to obtain coverage under the General Permit for Discharges of Storm Water Associated with Construction Activity. Construction activity subject to this permit includes clearing, grading and disturbances to the ground such as stockpiling, or excavation, but does not include regular maintenance activities. The purpose of this permit is to eliminate or minimize discharges from the construction site to storm drains and water bodies.

The Construction General Permit requires the development and implementation of a Storm Water Pollution Prevention Plan (SWPPP). The SWPPP must contain a site map(s), which shows the construction site perimeter, existing and proposed buildings, lots, roadways, storm water collection and discharge points, general topography both before and after construction, and drainage patterns across the project. It should identify pollutant or potential pollutant sources in stormwater discharges. The SWPPP must list Best Management Practices (BMPs) the discharger will use to protect stormwater runoff and the implementation of these BMPs. Additionally, the SWPPP must contain a visual monitoring program, a chemical monitoring program for "non-visible" pollutants to be implemented if there is a failure of BMPs, an employee-training program, and an annual reporting program.

Clean Water Act Section 401 Certification

Under federal Clean Water Act (CWA) section 401, every applicant for a federal permit or license for any activity, which may result in a discharge to a water body must obtain State Water Quality Certification (Certification) that the proposed activity will comply with state water quality standards. Most Certifications are issued in connection with U.S. Army Corps of Engineers (Corps) CWA section 404 permits for dredge and fill discharges. The Dalidio site includes a drainage channel and Prefumo Creek and possibly wetlands, though no delineation is available at this time.

Certification is issued if the proposed project will comply with water quality standards. Certification conditions may be imposed to mitigate potential impacts to beneficial uses and other standards. Beneficial uses of water include: drinking, agriculture, navigation, recreation, and fish and wildlife habitat.

State law requires that a final environmental document, developed under the California Environmental Quality Act (CEQA), must be reviewed before certification can be issued.

Wastewater Discharge Requirements

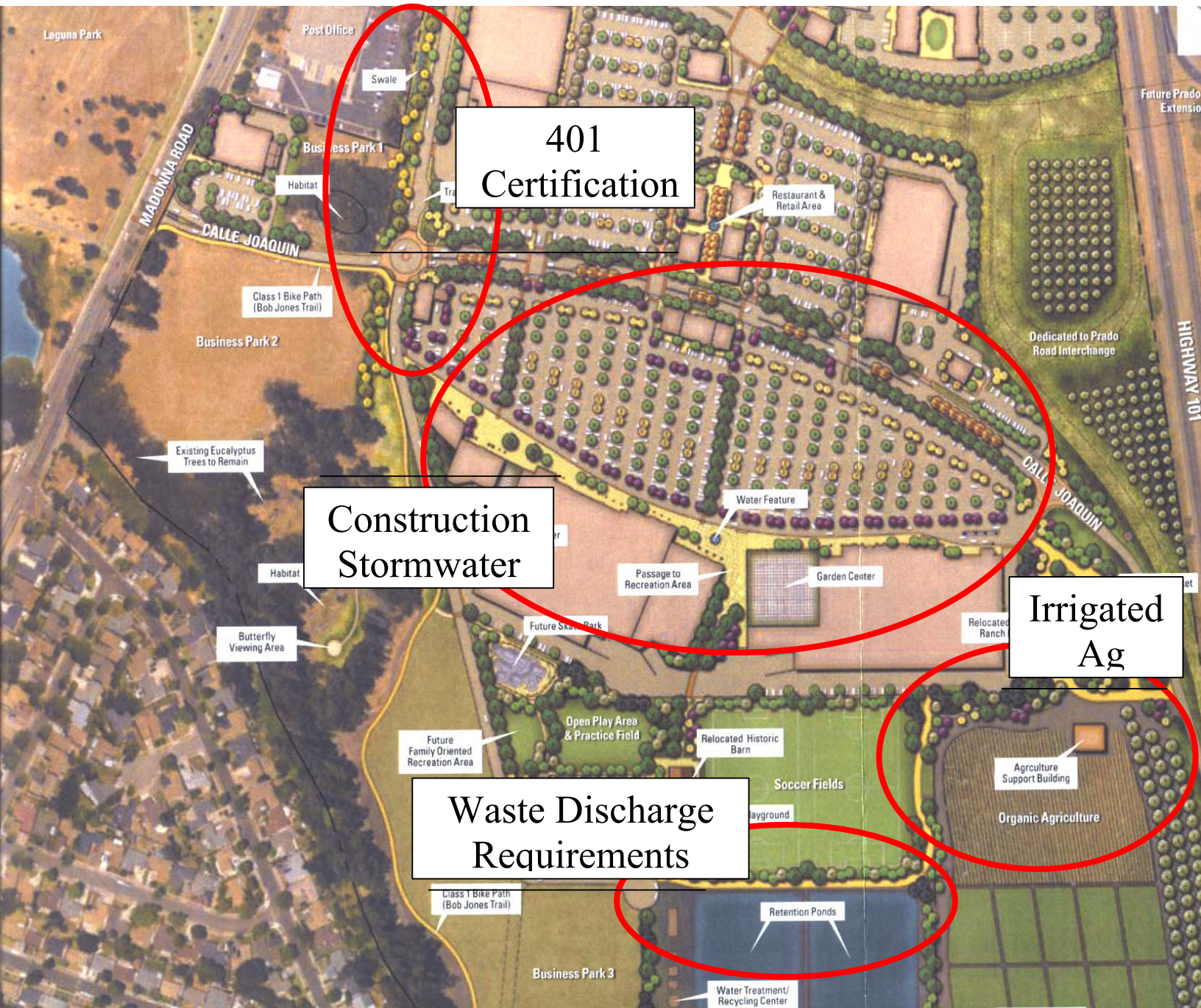
A permit to discharge wastewater is needed from the Central Coast Regional Water Quality Control Board for establishment of the Dalidio on-site Wastewater Treatment Plant. Waste discharge requirements are needed for any discharge to groundwater (waters of the State). This includes discharge to ponds or leachfields or use of treated wastewater for irrigation. In addition, if a project is discharging pollutants into surface waters (waters of the U.S.), a federal National Pollutant Discharge Elimination System (NPDES) permit must be obtained from the Regional Water Quality Control Board. This permit includes more stringent wastewater effluent constituent concentration limitations and also includes increased liability if these limits are not met.

Waste discharge requirements establish discharge pollutant limitations, both numeric and narrative, and establishes a monitoring and reporting program.

Irrigated Agriculture Waiver

Discharges from agricultural lands include irrigation return flow and stormwater runoff. Many surface water bodies are impaired due to these discharges having a negative affect on water quality by transporting pollutants including pesticides, sediments, and nutrients, from cultivated fields into surface water. Groundwater is also being severely impacted due to agricultural discharges of pesticide, nitrate and salts.

On July 9, 2004, the Central Coast Regional Water Quality Control Board adopted a new conditional waiver for discharges from commercial irrigated agriculture, replacing an expired 1983 waiver. All commercial irrigated ag farmers are required to obtain coverage under the waiver. Coverage under the waiver includes: completion of 15 hours of farm water quality education within three years of adoption of the waiver, development of farm water quality management plan. The Farm Plan must address, at a minimum, irrigation management, nutrient management, pesticide management and erosion control. Farmers are then required to begin implementation of their management practices identified in their Farm Plan.



CALIFORNIA DEPARTMENT OF TRANSPORTATION

Caltrans - Background

Caltrans supports local development that is consistent with State planning priorities intended to promote equity, strengthen the economy, protect the environment, and promote public health and safety. We accomplish this by working with local jurisdictions to achieve a shared vision of how the transportation system should and can accommodate interregional and local travel and development.

Dalidio Ranch is a project of regional significance; therefore, mitigation that adequately addresses regional impacts is necessary. It is Caltrans responsibility, as the owner/operator of the state highway system, to assure that any significant impacts from development to that system are accurately identified and that those impacts are mitigated appropriately.

Staff Concerns with Traffic Circulation, Hydrology and Cost of Prado Interchange

Traffic Circulation

It is Caltrans position that the conditions currently proposed as mitigation in the initiative are inadequate and do not mitigate the impacts of this development to a less than significant level. In order to determine those impacts and mitigation measures a thorough and comprehensive Traffic Impact Study (TIS) needs to be conducted in order to (1) identify the impacts and (2) determine the appropriate course of action to mitigate those impacts.

A TIS should be comprehensive, and engage all of the transportation stakeholders (City of SLO. County of SLO. SLOCOG and Caltrans) in the development of the scope and process. A Memorandum of Assumptions (MOA) should be developed between the county and the other stakeholders to guide the TIS. A MOA would:

1. Establish the methodology and parameters to be used in the study such as:
 - the use of the regional demand forecast model or other model (including the use of a select zone analysis to determine project trip distribution)
 - locations to be analyzed (intersections, road segments, etc.)
 - network and land use assumptions for both existing and future project build out scenarios, and
 - alternative mitigation scenarios (i.e. with and without the Prado Road interchange).
2. Establish a schedule of milestones in the TIS process at which all of the stakeholders would "meet & concur".

Hydrology

Increased flooding of State Route 101 was previously identified as an impact of the Market Place proposal (even without an interchange). The additional flooding of State Route 101 by the construction of the Prado Road interchange is substantial. Any increased flooding of State Route 101 is a significant concern for Caltrans and mitigation to eliminate any increase is required as part of the project

Cal Trans has not received any hydraulic analysis of the current development proposal.

Cost of the Prado Road Interchange:

In spring 2004, the cost for the Prado Road interchange was estimated at \$22 to 27 million. Based on the current price index for construction, the cost of the Prado Road interchange would be \$32 to \$39 million in 2006 dollars. This increase is due in large part to the significant increases recently in road construction materials such as steel, concrete and asphalt.

Caltrans review of the March 3, 2006 Dalidio Ranch Traffic Analysis

A traffic analysis was prepared by the applicant for the initiative project. Caltrans staff reviewed the analysis and has the following comments:

1. The Dalidio Ranch project will generate 30,800 average daily trips (ADT). This represents a 19.5% increase in weekday ADT over the previous Market Place proposal (25,782).
2. The project's peak hour trip generation occurs on Saturday and was not analyzed. This is inconsistent with other project's within the area, such as the Costco/Froom Ranch Project, who was required to conduct both a typical weekday PM peak hour and a Saturday peak hour analysis. The Institute of Transportation Engineers (ITE) Trip Generation handbook estimates this project will generate 36,967 average daily trips (ADT) on Saturday compared to the typical weekday PM peak hour generation rate of 30,800 average daily trips (ADT). This represents an increase of 6,167 average daily trips (ADT), which corresponds to a 20% increase.
3. The Traffic Study has omitted key approved developments located off of Calle Joaquin that are currently under construction. These omitted projects include the Marriott Hotel, Vineyard Christian Church, and the Kelly Gearhart Auto Dealership. These three alone are projected to add 362 weekday PM and 734 Saturday peak hour trips to Calle Joaquin as well as the Hwy 101/Los Osos Valley Road Interchange.
4. The pass-by rates taken for this current project are substantially higher than the previous project and are inconsistent with the department's guidelines. The pass-by rates taken by the current project are 30% on 30,800 average daily trips (ADT) compared to the previous project of 20% on 25,782 average daily trips (ADT). This higher pass-by percentage reduces the current project's "net new trips", which in turn,

reduces the impacts and minimizes the mitigation measures. For example, the pro-rata share for the new Prado Road Interchange is substantially lower using a pass-by rate of 30% when compared to the previous project's pass-by rate of 20%. It should also be noted that the Department's guidelines allow for a maximum pass-by rate of 15%.

5. The Traffic Study did not include a freeway segment or freeway ramp merge/diverge analysis of Highway 101.
6. The total lost time was reduced from 4.0 seconds to 3.0 seconds for all signalized intersections within in the analysis. The appropriate total lost time is 4.0 seconds, per the Highway Capacity Manual (HCM).
7. The current signal timing plans for existing signals within the state highway system and local street network, were not incorporated into the analysis.
8. A blanket peak hour factor of 0.95 was used throughout the analysis. This is inconsistent with the HCM. The HCM requires a default value of 0.92 to be used if field data is not available. Actual field data collected in November 2005 at the Hwy 101/Los Osos Valley Road interchange shows the peak hour factor varies between 0.75 to 0.95 depending on the movement.
9. The traffic analysis uses a cost for construction the Prado Road interchange of \$22 million in order to calculate a fair share contribution. Based on the current construction price index, the cost (in 2006 dollars) of the Prado Road interchange would be \$40 to \$49 million.

Based on this review of the traffic analysis, it is Caltrans position that the conditions currently proposed as mitigation in the Dalidio Ranch Initiative are inadequate and do not mitigate the impacts of this development to a less than significant level.

OTHER CITY COMMENTS

City of Arroyo Grande Mayor - Tony Ferrara - Raises concerns over the potential for re-prioritization of funding priorities for the short/mid term interchange improvement projects including the Brisco Road Interchange that has been in process for 8 + years.

City of Morro Bay - Councilperson Betty Winholtz - Raises concerns for the potential impacts to the Highway 41 and 101 and Los Osos Valley Road interchanges. Is also concerned about the precedent set by using the initiative process to circumvent the local planning process.

August 30, 2006

Information provided at the fourth meeting of the Dalidio Ranch Initiative Committee

AGENDA

- I. Public Comment (items not on the agenda)
- II. Presentation by David Taussig on Mello-Roos
- III. Presentation by Steve Weinberger (Caltrans traffic questions)
- IV. Public Comment
- IV. Comments from Committee members
- V. Adjourn

DAVID TAUSSIG - PRESENTATION

David Taussig & Associates, Inc. (DTA) is a public finance, facilities planning and urban economics consulting firm, specializing in municipal infrastructure and public services finance and land development economics. DTA provides consulting services to both public and private sector clients throughout California. Mr. Taussig was invited to speak to the committee to provide information about Community Facility Districts.

Mello-Roos (Community Facility District)

The Mello-Roos Community Facilities Act of 1982 allows any county, city, special district, school district or joint powers authority to establish a Mello-Roos Community Facilities District (a "CFD") which allows for financing of public improvements and services. The services and improvements that Mello-Roos CFDs can finance include streets, sewer systems and other basic infrastructure, police protection, fire protection, ambulance services, schools, parks, libraries, museums and other cultural facilities. By law, the CFD is also entitled to recover expenses needed to form the CFD and administer the annual special taxes and bonded debt.

A CFD is created to finance public improvements and services when no other source of money is available. CFDs are normally formed in undeveloped areas and are used to build roads and install water and sewer systems so that new homes or commercial space can be built. CFDs are also used in older areas to finance new schools or other additions to the community.

A CFD is created by either a petition of a landowner to a local government or can be sponsored directly by a local government agency. A CFD cannot be formed without a two-thirds majority vote of residents living within the proposed boundaries. Or, if there are fewer than 12 residents, the vote is instead conducted of current landowners. In many cases, that may be a single owner or developer. Once approved, a Special Tax Lien is placed against each property in the CFD.

Property owners then pay a Special Tax each year. If the project cost is high, municipal bonds will be sold by the CFD to provide the large amount of money initially needed to build the improvements or fund the services.

A CFD could be established to pay for the Prado Interchange improvements. It is not mandated or otherwise required by the initiative, but could be proposed by petition of the property owner. In the case of the Prado Road Interchange, a finance plan could look like this:

Dalidio Ranch Contribution (from initiative)	\$8,000,000
Proceeds from CFD Bond Sale	\$11,796,276 (assumes a 3 to 1 value-to-lien ratio is satisfied. The analysis was based on a total effective property tax rate of 1.8%, an average coupon rate of 6% and 2% escalating debt service and special taxes)
Total	\$19,796,276

Assuming a cost of 35,000,000 for the interchange, there is still a shortfall that would need to be made up. This could be done through proceeds from Sales Tax and Transient Occupancy Tax Revenue Bond Sales. Assuming the use of 45% of Sales Tax and Transient Occupancy Tax revenues for debt service and an average coupon rate of 6%, this could generate another \$15,943,278 for a total of \$35,739,554 for the construction of the Prado Road Interchange.

The CFD bonds can only be attached to the property. The only security for Sales Tax and Transient Occupancy Tax Revenue Bonds is the revenue. This means there is no general fund risk because it is tied to the property and revenue, not the county's general fund.

W-TRANS PRESENTATION

Whitlock & Weinberger Transportation, Inc. (W-Trans), based in Northern California, provides professional traffic engineering and transportation planning services to both public and private entities, with staff having extensive experience applying standard traffic engineering and transportation planning techniques to typical traffic studies as well as to projects with themes of traffic calming, livability and smart growth. This firm has been retained by the Initiative Proponent to evaluate traffic for the project proposed by the Initiative. Mr. Weinberger of W-Trans was invited to speak to the committee to clarify information in the Traffic Study.

Response to Comments

Comment:

W-Trans fair share calculations do not match City findings.

Response:

Using traffic volumes from the City prepared *Dalidio/San Luis Marketplace Annexation and Development Project EIR*, the Dalidio Ranch fair share of the Prado Road interchange volume is calculated as 26 percent.

W-Trans calculations show a fair share of 23 percent.

Comment:

Dalidio Ranch will generate more vehicle trips than the previous marketplace proposal.

Response:

San Luis Marketplace study evaluated 635,000 square feet of retail at a net rate of 2.65 trips per 1,000 square feet which equals 1,681 new peak hour trips and 20,956 net daily trips.

W-Trans study evaluated Dalidio Ranch with 523,180 square feet of retail at a net rate of 3.17 trips per 1,000 square feet which equals 1,660 new peak hour trips and 21,911 net daily trips.

Comment:

Saturday was not analyzed.

Response:

The W-Trans study was conducted to "mirror" the previous City study for the approved *Marketplace* project which only included weekday p.m. peak conditions.

While the project will generate more peak hour trips on a Saturday, surrounding street traffic is generally lower on a Saturday, so results should be similar.

Comment:

The traffic study omitted key approved developments off of Calle Joaquin.

Response:

Traffic for approved projects was developed based on information from the City in late 2005.

Would only affect shorter term Baseline. Longer term 2016 and 2025 results would remain the same.

Comment:

Pass-by rates are 1) higher than the previous analysis and 2) inconsistent with Caltrans guidelines.

Response:

While W-Trans used higher pass-by rates it also used higher trip rates than the previous study. All rates were acquired from the ITE Trip Generation Handbook which is the standard source.

Comment:

Freeway segments and freeway ramps.

Response:

The Dalidio Ranch study focused on an update to the City's *Marketplace* project analysis of the arterial street system for the approved 650,000 square foot project.

The City report concluded that: "Improvements to US 101 are regional improvements and beyond the scope of an individual development"

Comment:

Signalized Intersection Analysis Factors should be different (Total Lost Time and Peak Hour Factor).

Response:

W-Trans analysis is consistent with factors used in previous City traffic study for the approved *Marketplace* project.

Comment:

Signalized Intersection Analysis should use existing Signal Timing Plans.

Response:

The W-Trans analysis of future intersection conditions is consistent with common practice where signal timing is based on "optimized" timing which considers the change in traffic volumes.

Project Scenarios

Key Assumptions

Existing

Baseline (Existing + Approved Projects, 2008)

Baseline 2008 Conditions

Improvements to Los Osos Valley Road-Calle Joaquin

Baseline plus Phase 1 Project

10-Year Horizon 2016 Conditions

Full Improvements to US 101/Los Osos Valley Road Interchange

10-Year Horizon (2016)

10-Year Horizon plus Full Project Buildout (2025)

Buildout (2025) Conditions

Completion of Prado Road Interchange

Buildout plus Full Project

Additional Information

Since the meeting, the city has provided additional materials to the W-Trans traffic engineer. W-Trans has reviewed those materials, which suggest a slightly different distribution pattern for the project trips, and determined that the project's fair share percentage of the Prado Interchange would be 25 percent rather than 23 percent. Both the City of SLO traffic analysis done for the *Marketplace* project EIR and the more recent traffic study come to very similar conclusions - the Dalidio Ranch fair share portion of the interchange cost is between 23 and 26 percent.

Attachments

Letters

Andre, Morris and Buttery letter dated July 7, 2006

Air Pollution Control District letter dated June 26, 2006

CDF / County Fire Department letter dated June 26, 2006

City of San Luis Department letter dated June 22, 2006

State Department of Water Resources letter dated July 13, 2006

County of San Luis Obispo Environmental Health Division letter dated July 31, 2006

Integrated Waste Management Authority letter dated June 7, 2006

County of San Luis Obispo Parks Division letter dated June 26, 2006

County of San Luis Obispo Public Works letter dated June 27, 2006

County of San Luis Obispo Public Works letter dated July 27, 2006

County of San Luis Obispo Public Works - Solid Waste letter dated June 21, 2006

California Regional Water Quality Control Board letter dated June 27, 2006

California Regional Water Quality Control Board letter dated July 28, 2006

San Luis Obispo Council of Governments letter dated July 14, 2006

W-Trans letter dated September 7, 2006

Reports

Dalidio Ranch Traffic Analysis dated March 3, 2006

Other Information

Finance Plan for Prado Ranch Interchange (David Taussig & Associated, Inc.)